

SENATOR CHAMBERS: Madam President and members of the Legislature, I had...I had a great amount of concern about this bill, I still do. And my intent was to stop it altogether if there couldn't be some reduction in the amount of money that these people are allowed to gouge from very unfortunate citizens. But the aim of the bill was to try to provide some regulation to this activity. So I met with representatives of these outfits and agreed to not try to stop the bill if they would lower that amount from \$20 to \$15 per \$100 face amount on the check that would be involved. I still don't like the bill. I still don't like what is being done by the Legislature in this regard. If this kind of activity were done on the street, it would be called loansharking. For those of you who are not aware of what we're talking about, if you need some money, you write a postdated check and give it to these people, your check from your job goes to the bank automatically. So the amount deducted from your check by these people is \$15 for every \$100 of the face amount of your check. So if you need some money, you go to your loan shark and you write this postdated check for an amount that would cover the fee that they're going to charge. When your check is deposited they take out...they then cash this postdated check which includes this fee based on this \$15 per \$100 value...face value of the check, your paycheck. The reason I see this as being a reprehensible thing for the Legislature to do is that a person could need some money...all right, I'll give you an example. You get paid on Friday. You need some money Thursday. So you go to one of these loan sharks and you get that money for one day and they get that fee for allowing you the use of that money for one day. No bank could charge that amount of money. Loan sharks don't charge that amount. What a loan shark wants to do is have regular customers, so they try to figure, by trial and error, what the maximum is they can charge for whatever person they're dealing with to get the maximum amount of interest, as they call it, in exchange for giving you a loan. They don't want to just hit you real hard one time. They want you to keep coming back. But if you don't pay them, then they have collection methodologies that are designed to encourage you not to make the mistake of not paying them again. What the loan sharks will do, if you make one of these loans and you can't pay it back, they will lend you additional money to pay what you owe as far as the fee on the first loan and they get you in deeper and deeper and you wind up after a while just borrowing money from them to pay the fees that you owe. And you continue to pay out and pay out and pay out and you never pay